

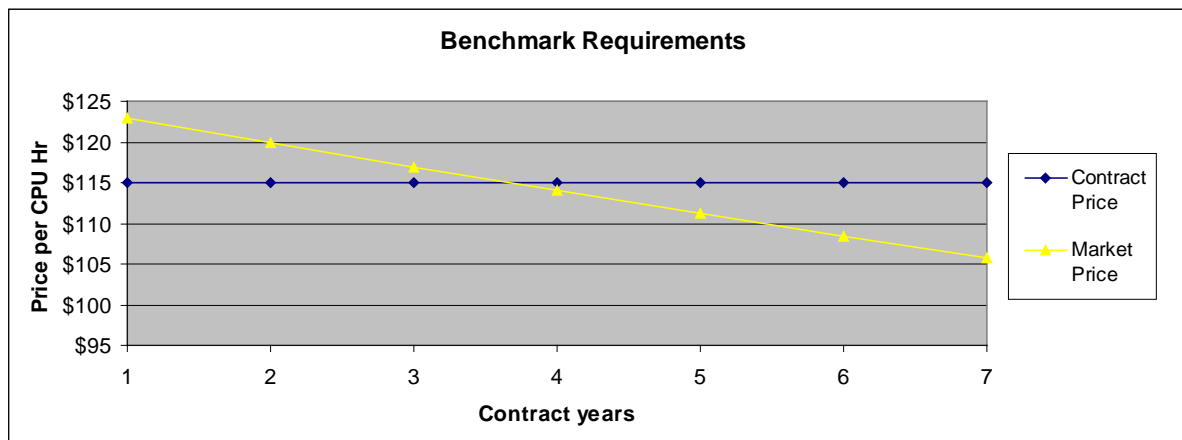
SCHEDULE 16.7 – BENCHMARKING METHODOLOGY

Schedule 16.7 – Benchmarking Methodology

Since to the Parties have agreed to flat rate pricing (as more particularly set forth in Exhibit 16.1-1 of Schedule 16.1) for the Term, it is the desire of the County to be able to ensure, via benchmarking, that the Fees paid for the Services are competitive with market prices.

The Parties acknowledge that, in general, the basic structure of flat rate pricing does not allow for traditional price point benchmarking since the Contractor, by design, may price under market in the early years of the deal and then price over market in the later years of the deal.

The County will require that the fees payable to Contractor hereunder are, when aggregated over the Term, within the top quartile of the lowest market prices payable for similar services performed by Contractor's peer group during the same timeframe. Market price will be determined by the benchmarker and based on a comparison of market price data for similar scope, services and service levels. The benchmarker will establish the comparative market price at regular intervals covering the period of time between the Effective Date and the date the benchmarking is requested. The dollar variance between the Resource Unit Fee (or any portion thereof) for a particular Resource Unit and the top quartile market price for such Resource Unit (or portion of a Resource Unit) (e.g., the market price that is better than at least 75% of the other market prices for such Resource Unit) will be calculated for each interval. No adjustment will be required by the Contractor until such time as the net accumulated variance, on a Service Framework Component basis, indicates that the aggregate Contractor price has exceeded the aggregate market price.



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Total price on a per CPU Hour basis

Start of Year	1	2	3	4	5	6	7
Contract Price	\$115.0	\$115.0	\$115.0	\$115.0	\$115.0	\$115.0	\$115.0
Market Price	\$123.0	\$119.9	\$116.9	\$114.0	\$111.2	\$108.4	\$105.7
Annual Volume in CPU Hours	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Annual Contract Spend	\$3,450,000.0	\$3,450,000.0	\$3,450,000.0	\$3,450,000.0	\$3,450,000.0	\$3,450,000.0	\$3,450,000.0
Annual Market Spend	\$3,690,000.0	\$3,597,750.0	\$3,507,806.3	\$3,420,111.1	\$3,334,608.3	\$3,251,243.1	\$3,169,962.0
Variance	\$240,000.0	\$147,750.0	\$57,806.3	\$(29,888.9)	\$(115,391.7)	\$(198,756.9)	\$(280,038.0)
Aggregate Variance	\$240,000.0	\$387,750.0	\$445,556.3	\$415,667.3	\$300,275.7	\$101,518.8	\$(178,519.2)

In this example (reflecting annual benchmarks over a 7-year period), the Resource Unit Fee is constant; however, the market price is declining. An adjustment would be made during year 7 *based* upon the aggregate variance of \$178,519.20 in the table above. A pro-rated portion of such amount shall be credited on each remaining invoice during the Term.

END OF SCHEDULE